

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1083 - HB 1649

March 6, 2009

SUMMARY OF BILL: Appropriates \$4,000,000 for the Bureau of TennCare to fund reimbursements for emergency services for Medicare/Medicaid dual eligible enrollees.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$4,000,000/FY09-10

Increase Federal Expenditures - \$11,466,700/FY09-10

Assumptions:

- The bill specifically appropriates \$4,000,000 in state funds for emergency services for dual eligible enrollees. Due to the federal match rate of 74.138 percent, this appropriation would increase federal expenditures by \$11,466,708 [(\$4,000,000/25.862%) - \$4,000,000].
- According to the Bureau of TennCare, Medicare reimburses providers of covered ambulance services at approximately 80 percent of a Medicare allowed rate.
- TennCare supplemented the Medicare payment by paying the approximately 20 percent difference through FY07-08. FY08-09 is the first year that TennCare has not supplemented the difference.
- In FY07-08, actual expenditures for these services were \$98,412,503. Of this amount, Medicare covered \$78,172,408 and TennCare covered \$20,240,095.
- It is estimated that costs for FY09-10 will grow by four percent from FY07-08, resulting in an increase in total costs of \$102,349,103 (\$98,412,503 x 1.04).
- Of the \$102,349,103, Medicare will cover 80 percent, or \$81,879,202, leaving \$20,469,801 not reimbursed.
- If TennCare reimbursed \$15,466,708 in state and federal funds, that would leave \$5,003,093, or 24.44 percent, in emergency medical services for dual eligible enrollees not covered.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/kml